

# FOMC Policy on External Communications of Federal Reserve System Staff<sup>1</sup>

as adopted June 22, 2011

---

## PREAMBLE

In the course of making monetary policy decisions, the Federal Open Market Committee (FOMC) makes extensive use of background materials prepared by the staff of the Federal Reserve System, and senior staff give regular briefings at FOMC meetings. In addition, staff are directly involved in the implementation and communication of the Committee's policy decisions.

Federal Reserve System staff have contacts with members of the public in the process of gathering information about current economic and financial conditions. In addition, staff synthesize that information using a variety of analytical methods and statistical tools, and the continual refinement of these methods and tools is facilitated by ongoing interactions with academic researchers, staff at foreign central banks, and other outside analysts. Finally, staff play a significant role in helping the public understand the rationale for FOMC decisions.

To reinforce the public's confidence in the transparency and integrity of the monetary policy process, the FOMC has established the following principles to govern the public contacts of Federal Reserve System staff who have access to confidential FOMC information.<sup>2</sup> The FOMC maintains responsibility for ensuring that all System staff abide by these principles. Specifically, the President of each Federal Reserve Bank is responsible for ensuring the confidentiality of FOMC information at that Bank and for the conduct and discretion of that Bank's staff with regard to the use of that information, and the Chairman fulfills this role for Board staff.

---

<sup>1</sup> This document complements the FOMC policy regarding the external communication of Committee participants, which is set forth in a separate document.

<sup>2</sup> This policy is fully consistent with and complements the rules for ethical conduct prescribed for the staff of the Board of Governors and for staff at each Federal Reserve Bank.

## GENERAL PRINCIPLES

1. Federal Reserve staff play a significant role in enhancing public understanding of the FOMC's actions, thereby promoting the effectiveness of monetary policy. In all communications with the public regarding monetary policy issues, members of the official staff should refrain from publicly expressing their own personal views regarding prospective monetary policy decisions and should never speculate about future monetary policy decisions or actions that have not been announced by the Committee. In explaining the rationale for announced FOMC decisions, staff should draw on Committee communications, the Chairman's press conference remarks, and other published materials as appropriate. Whenever staff make public comments on monetary policy, they should clearly indicate that those comments are solely their own responsibility and should not be interpreted as representing the views of the FOMC, its principals, or any other person associated with the Federal Reserve System.
2. To foster the ongoing frank exchange of views at FOMC meetings, staff will refrain from characterizing such discussions—apart from what has been published in the minutes of each FOMC meeting—in any contact with an individual, firm, or organization outside of the Federal Reserve System.
3. To protect the independence of the FOMC's decision-making process from short-term political pressures, members of the official staff will strive to avoid any appearance of political partisanship in their contacts with the public.
4. Staff will carefully safeguard all confidential FOMC information.<sup>3</sup> No confidential information may be released except pursuant

---

<sup>3</sup> The Committee's regulations concerning the designation and handling of confidential FOMC information are set forth in a separate document, "*Program for Security of FOMC Information*," available at [http://www.federalreserve.gov/moneypolicy/files/FOMC\\_InformationSecurityProgram.pdf](http://www.federalreserve.gov/moneypolicy/files/FOMC_InformationSecurityProgram.pdf).

to Committee instructions or with written authorization from the Chairman and prompt notification to the Committee.

5. To ensure that no member of the public is able to profit financially from acquiring nonpublic information about economic and financial conditions or about the methods and tools that are currently being used to assess those conditions, staff will not provide such information to any individual, firm, or organization outside of the Federal Reserve System unless the information has been cleared for publication and is made widely available to the public.

6. Staff will strive to ensure that their contacts with members of the public do not provide any profit-making person or organization with a prestige advantage over its competitors. They will consider this principle carefully and rigorously in considering invitations to speak at meetings sponsored by profit-making organizations and in scheduling meetings with anyone who might benefit financially from apparently-exclusive contacts with Federal Reserve staff.

7. To facilitate the effectiveness of the Committee's policy deliberations and the clarity of its communications, staff observe the blackout period on monetary policy communication that begins on the Tuesday morning of the week prior to each regularly-scheduled FOMC meeting and ends at midnight Eastern Time on the Thursday following the meeting. During each blackout period, staff refrain from providing information to members of the public about macroeconomic or financial developments or about current or prospective monetary policy issues unless that information has already been cleared for publication and made widely available to the public prior to the blackout period.

#### PRACTICAL EXAMPLES

To assist Federal Reserve System staff in understanding the application of these principles, the FOMC has considered how the principles should be applied to some common requests for public contact. For example, the

following contacts would generally be consistent with the Committee's policy on external communications, as long as the staff member carefully adheres to all of the principles listed above during the contact itself:

1. A presentation at a widely-attended meeting, where the event is organized by a non-profit entity and does not involve fundraising. Such a meeting might be sponsored by an academic institution, non-profit organization, or civic or trade association (such as a chamber of commerce or a state or national bankers' association).

2. A private meeting with members of the public—such as bankers, community representatives, industry representatives, or labor representatives—to collect information about current economic and financial conditions, without disseminating any information that is not widely available to the public. Whenever practical, at least two Federal Reserve staff should be present at such a meeting.

In contrast, the following contacts would *not* be consistent with the principles set out above:

1. Disclosure of confidential FOMC information.

2. Disclosure or characterization of the views expressed at an FOMC meeting.

3. Disclosure of an FOMC participant's personal views on monetary policy that have not previously been communicated to the public.

4. Public communications in which a Federal Reserve officer expresses personal opinions about prospective monetary policy decisions.

5. A prediction to members of the public about Committee action prior to the Committee's announcement of such decisions.

6. A private meeting with selected clients of a regulated entity or financial firm to discuss monetary policy.

Of course, the foregoing examples are not intended to serve as an exhaustive list, and hence good judgment will be essential in applying these principles. Moreover, whenever staff are unsure about whether specific con-

FOMC Policy on External Communications of Federal Reserve System Staff

tacts with the public would be appropriate, they should consult in advance with the appropriate staff person or with the head of their respective institution—namely, the Chairman

in the case of staff at the Board of Governors, and the President in the case of staff at a Federal Reserve Bank.